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C O N F I D E N T I A L SECTION 01 OF 04 BANGKOK 003289

SIPDIS

NSC FOR DENNIS WILDER AND LIZ PHU

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SUBJECT: THAILAND IN TRANSITION: POLITICAL AND SOCIAL
POLARIZATION LIKELY TO PERSIST

REF: A. BANGKOK 3255 (GRENADE ATTACKS)
 1B. BANGKOK 3251 (ARMY ON SIDELINES)
 1C. BANGKOK 3226 (HOPE FOR MEDIATION)
 1D. BANGKOK 3209 (SUPREME COMMANDER)
 1E. BANGKOK 3192 (PRIVY COUNCILORS: NO COUP)
 1F. BANGKOK 3080 (QUEEN SUPPORTS PROTESTS)
 1G. BANGKOK 3059 (SEARCHING FOR A SOLUTION)

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Classified By: Ambassador Eric G. John, reason: 1.4 (b and d).

SUMMARY AND COMMENT

1. (C) Immediate concerns of a threat of a coup d'etat in Thailand have ebbed for now, but we see no viable course of action that appears likely in the near term to heal the deep political divisions in contemporary Thai society and the body politic. There are street fighters on both sides willing to engage in violence which could prove an unpredictable trigger for military intervention, despite Army Commander Anupong's avowed refusal to bring the army back into politics after the 2006 coup. The interests of the royalist elite and urban middle class seem diametrically opposed to those of former Prime Minister Thaksin and his allies, including upcountry rural dwellers. Queen Sirikit, departing from the example set by King Bhumibol over decades, has dragged an ostensibly apolitical monarchy into the political fray, to the institution's probable future detriment.

2. (C) At the same time that executive power has been weakened in a reversion to pre-Thaksin patterns, the judiciary seems increasingly politicized. The status quo appears unstable, in part because of the likelihood that the People's Power Party will soon be dissolved. But any follow-on pro-Thaksin party would almost certainly command a plurality, if not majority, were new elections to be held, preserving the current political equilibrium. Steps the two sides might take to improve their lot -- including forming a new administration, dissolving the House of Representatives/new elections, or launching a coup -- all seem unlikely to resolve the current tension. The political turmoil may well persist for years, until the passing of the King and the subsequent redefinition of the place of the

monarchy in 21st century Thailand. The Ambassador continues to stress to all key players the negative ramifications of a coup and the need for all parties to avoid violence and respect democratic norms. End Summary and Comment.

THAILAND POLARIZED, LOOKING FORWARD

13. (C) The battle lines in Thailand's political environment are clearly drawn, even if there are multiple actors in play. However, reductionist arguments that the crisis is about "the King vs. Thaksin" are overly simplified; neither camp controls all who claim allegiance to each, and key secondary figures in both camps have differing agendas. While all countries have their unique dynamics--Thailand's revolves around the institution of monarchy--Thailand nevertheless is experiencing a version of a scenario that has played out in other East Asian countries: economic growth outstripping the pace of democratic institutional maturation, and new groups challenging the prerogatives of old elites.

14. (C) Although both sides in this polarized society have independent-minded and middle-class participants, former Prime Minister Thaksin Shinawatra provides direction and, we assume with confidence, financing for his allies, relying on a loyal electorate in the northeast and north of Thailand which benefited from his populist policies from 2001-06. The Thaksin machine faces off against a mix of royalists, Bangkok middle class, and southerners, with Queen Sirikit having emerged as their champion, as King Bhumibol largely fades from an active role. The two sides are competing for influence and appear to believe, or fear, that the other will use the political power it has to marginalize (if not eliminate) the opposing side. They are positioning

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themselves for what key actors on both sides freely admit to us in private will be Thailand's moment of truth--royal succession after the King passes away.

BRANCHES OF GOVERNMENT IN FLUX: WEAK EXECUTIVE, ACTIVIST COURT

15. (SBU) This conflict comes at a time when the dynamics between the three branches of government are in flux. The terms of the 2007 Constitution and the banning of the most talented 111 executives of Thai Rak Thai had the effect of weakening the strong executive enshrined in the 1997 Constitution and realized in practice by Thaksin. Thai politics have thus returned to the status quo ante: a weak executive branch, based on fractious coalition politics often focused more on feeding at the public trough than in governing the country effectively. At the same time, the Senate has become much more activist, with appointed Senators in particular acting as a check against coalition attempts to ram its agenda through the legislative branch.

16. (C) We have also seen in the last few years the politicization of the judiciary. The 2007 Constitution, drafted by selectees of the 2006 coup leaders, provided an enhanced political role for the judiciary. (For example, top judges, along with others, sit on a committee that selects Senators for nearly half the Senate's seats.) Judges have driven some major political developments of the past few years, such as the annulment of the 2006 election, the dissolution of the Thai Rak Thai party, and the expulsion from office of Prime Minister Samak Sundaravej. Thaksin and his wife have both recently been convicted (for tax evasion and improperly doing business with a state agency); Thaksin allies have complained to us repeatedly that the judiciary is biased against them. Perhaps in response to this perception, or other political activism, two leading judges who appear to be members of the royalist clique (ref C and E) were recently targeted in bombings that appear not to have been intended to kill, but to send threatening signals (ref A).

17. (C) Another important relatively new trend is the rise of politically-aligned informal groups with components seemingly tailor-made for street fighting. The People's Alliance for Democracy (PAD), which began as a peaceful protest movement in 2006 to oust Thaksin, has for more than two months illegally occupied Government House, the formal seat of government, with far sharper tactics. It now deploys armed guards and used firearms and other weapons in its October 7 clash with police at the parliament. On the other side, the pro-Thaksin United Front of Democracy Against Dictatorship (UDD) has initiated clashes with PAD supporters, such as on September 2, and is loosely coordinating with other informal actors in planning (at least conceptually) how to fight Army troops in the event of a coup. At the moment, these quasi-militias seem under the control of the political leaders, but their presence heightens the stakes for both sides, and we do not rule out spontaneous actions by one group or another leading to a spiral of violence.

SHORT-TERM OUTLOOK - FOUR SCENARIOS

18. (C) While Thailand's political environment is highly dynamic, we can envision four main scenarios for near-term developments, although none of them appears certain:

- STATUS QUO: The status quo, with Prime Minister Somchai Wongsawat at the helm, appears untenable beyond the short term of Princess Galyani's funeral (mid-November), the King's Birthday (early December), and ASEAN Summits (mid-December). Dissolution proceedings targeting the People's Power Party (PPP) are moving forward, following the disqualification of a PPP executive for election improprieties. Conventional wisdom holds that the Constitutional Court will dissolve PPP

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within a few months; such a step would strip all PPP executives, including Somchai, of their political rights. Since coming into office, Somchai's administration has been focused on its own survival, and current circumstances appear not to allow the RTG to undertake bold or long-term initiatives. Most experts predict the status quo will only hold until mid-December, after which something significant will occur.

- NEW ADMINISTRATION: Whether because of PPP dissolution or as a response to other developments, Somchai could leave office and pave the way for the election of a new Prime Minister by the House, without need for a new legislative election; opposition Democrat Party deputy leader Kraisaak Choonhavan suggested to us October 30 that this option was now more likely than house dissolution/new elections. Because the constitution mandates that the Prime Minister be a member of the House of Representatives, however, there is a dwindling pool of talent from which Thaksin's allies can draw in selecting a new leader, assuming (as we do) that the PPP legislators would move largely en masse to a new political party and maintain a cohesive governing coalition. We believe the odds are low that a new administration would take the form of a "government of national unity" or, by virtue of its composition or policies, heal the divisions in society.

- HOUSE DISSOLUTION: The Prime Minister could dissolve the House, presumably to renew a mandate for pro-Thaksin legislators and to allow new figures to enter the parliament and replenish the pro-Thaksin ranks, if PPP's current leadership is barred from office. It is unclear whether a pro-Thaksin party competing in a new election would fare better or worse than PPP did in 2007, but the two sides in the current environment both have large constituencies, and neither appears ready to defer to the other based on election results. We also have heard members of the pro-Thaksin camp worry that they might not be able to arrange a new election

in a smooth fashion, as their opponents might see House dissolution as providing an opportunity to upend the political system. (The Constitution requires that elections take place between 45 and 60 days after House dissolution.)

- COUP: We do not preclude the possibility of a military coup, but recent events have indicated that Army Commander Anupong Paojinda appears deeply reluctant to seize power. The October 7 clash between police and PAD protesters provided the Army with a pretext to launch a coup, and the Army did not do so -- an encouraging sign. High-ranking military contacts and Palace figures (refs B, D, and E) have told the Ambassador repeatedly that the Army will not launch a coup, but many others tell us another bout of significant violence and bloodshed might force Anupong's hand. We continue to stress the negative ramifications of a coup for Thailand's domestic and international interests. The 2006 coup leaders proved unable to eradicate Thaksin's influence in the year-plus that they held power, and we believe a coup would severely exacerbate, rather than resolve, Thailand's current problems. And, unlike in 2006, pro-Thaksin forces are now vowing they would fight back against a coup, with violence and sustained opposition.

MONARCHY POLITICIZED, FACING UNCERTAIN FUTURE

¶9. (C) In our last review of scenarios looking forward (ref G), we included another: an extraordinary intervention by King Bhumibol, as he did in 1973 and 1992, to stop bloodshed and allow a deeply divided Thai society a time out to recalibrate. Thais consistently claim publicly that the King is and should be above politics, and he personally appears to appreciate the boundaries of his limited role. However, throughout his reign, others have sought to use the institution of the monarchy for their own political purposes, starting with Field Marshal/PM Sarit (1957-63). That is again the case now, particularly with the PAD, but at a time the King himself has withdrawn from public life for all but the most important ceremonial functions. Therefore, we

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believe this intervention scenario remains unlikely.

¶10. (C) Faced with a future without the revered monarch of the past six decades, many royalists view Thaksin as posing an existential threat to the monarchy, and some of them -- such as Privy Council President Prem Tinsulanonda -- became vocal critics of his administration and targets of Thaksin's allies. The anti-government PAD has consistently portrayed itself as a defender of the monarchy, and a reasonable belief by many Thais that important royalists support the PAD has likely been critical in saving the group from harsher treatment by the authorities--and the mainstream media--than it has received to date. That may change in the wake of several recent signals sent by two figures seen as close to the King: Princess Sirindhorn in Connecticut October 9 stated that the PAD was acting on its own behalf, not the monarchy's; and Chairman of the King's Rajanukhroo Foundation Disathorn Watcharothai told an October 29 seminar: "If you love the King, go back home."

¶11. (C) In contrast, Queen Sirikit herself made a bold political statement practically without precedent in presiding over the funeral of a PAD supporter from humble roots who died during the October 7 clash between PAD and the police (ref F). Even some figures close to the Queen have expressed their private unease at the overtly political act, since it seems to erode the concept, which the King has long sought to promote, of an apolitical monarchy. After the Queen's funeral appearance, there was a notable increase in public complaints about acts of lese majeste, with many seemingly targeting the Queen; PPP-affiliated politicians have expressed a combination of fear and loathing for the Queen in private conversations with us in recent months. Such politicization of the monarchy at this time appears to

create extra uncertainty around the eventual royal succession, and it could well boomerang on royalists when the time comes to redefine the role of the monarchy after the King's passing. In the meantime, the Thai body politic will continue to bubble.

JOHN